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# FCI NEWSLETTER

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UNITED STATES DEPARTMENT OF AGRICULTURE

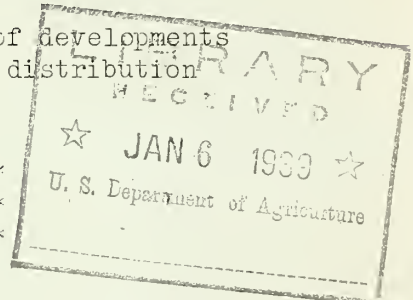
November 9

WASHINGTON, D. C.

1938

NEWSLETTER is designed to inform staff members of developments within the Corporation and is not for general distribution

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\* THE ACTING MANAGER'S MESSAGE \*  
\* \* \* \* \*



"Put yourself in the place of the customer, and then you'll know how to sell him."

That is standard advice to salesmen. It applies to crop insurance supervisors too, because the reaction of the farmer in his consideration of crop insurance is, in the final analysis, the measure of the program's success.

Recently, I had the experience of becoming a customer of the Federal Crop Insurance Corporation. Upon returning from a field trip, I stopped off at my farm in western Nebraska where my wheat land is located. I spent the forenoon with the hired man looking over the corn and sorghum crop and the fields of wheat which had been seeded this fall. It was in excellent condition. All of it was seeded on summer fallowed ground and there was a perfect stand. It had grown and stooled out until from across the road you couldn't see the ground anywhere.

Numerous applications of hopper bait had kept the grasshoppers from doing any damage along the edges of the fields. It was so dark green in color it looked almost black.

I had received my crop insurance premium notices, so went to town in the afternoon to pay my premium. Since my wheat land is in a "high risk" territory, the rate was high, approximately 2 bushels per acre, and the coverage slightly in excess of 8 bushels.

On the way to town there was a tendency for me to weigh the prospects of the crop against that premium payment before putting up the money. But that tendency didn't last long! When I looked back over the past few years, some of my crops which looked the best in the fall have turned out to be the poorest at harvest time. For example, in the fall of 1930 my prospects for a crop looked even better than for this year. We had good snows throughout the winter and in the spring of 1931 the crop had a good start and promised a bumper yield, that is, it did until May 18, on which date the temperature dropped to 20 above zero and damaged the crop to the extent that many fields were not worth harvesting.

Then, more recently, in the fall of 1935 the crop got off to a good start, but the winter and spring were dry. High winds and dust in March and April damaged the crop until many fields had to be abandoned.

Thus, looking back, I can see that my premium is a pretty accurate measure of the risk involved in growing wheat on my land, and I realize that the payment of the crop premium is the only way I could be sure of wheat to sell next year. I paid my premium in cash because I had already taken a Federal crop loan on every bushel of my 1938 wheat, except what was used for seed.

Nearly all of the 200,000 wheat growers who have applied for crop insurance policies to date now have their premium notices in hand, and are making their final decisions as to whether the policy shall be put in force by that payment. For many of them it involves a real problem to make a place in their budget, or to obtain credit for, the amount of the premium. Many of them are weighing the prospects of their crop against the premium payment.

The county supervisor is the key man in this situation. He must realize that not only the success of the crop insurance program but the future security of many growers in his county depends on their policies going into force. He can help growers by showing them that the premium is a fair measure of their risk by recalling to them the past years in which the fall condition of the crop has belied the disappointing harvests that followed, and by aiding them in securing credit for premiums wherever possible. Only when the county crop insurance supervisor is fully satisfied that every grower has made his final decision as to payment of the premium can he consider this phase of his work completed.

*Leroy K. Smith*

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**PREMIUM PAYMENTS REACH  
60,000 MARK NOVEMBER 1**

With 19 days to go until the closing date for receipt of premiums in 20 winter wheat states, the flow of premium payments to the branch offices passed the 60,000 mark November 1 and purchases of wheat for the insurance reserve amounted to 1,669,000 bushels. As of the same date, the total applications received at the branch offices amounted to 212,266 and more than 184,800 growers had been informed of the amount of premiums due.

The State of Kansas led all others in the amount of wheat being added to the FCIC reserve with the equivalent of 412,171 bushels paid in as premiums through October 28. Next in line in bushels of premiums paid was Texas with 276,000, followed by Nebraska with 181,600 bushels and Missouri with 129,000.

As of November 1, the wheat reserve stands as follows for the branch offices. The figure for Kansas City includes the wheat reserves of the Washington Branch Office.

Kansas City	1,575,000
Minneapolis	94,000

The following table indicates the status of the program as of October 28. It should be noted that the premiums-received-figure by states represents the total as tabulated for 33,785 payments. Actually a total of 62,000 premiums had been received as of this date at the branch offices, but a breakdown of this figure is not yet available.

## COMBINED REPORT OF THREE BRANCH OFFICES AS OF OCTOBER 28, 1938

STATE	Applications Received Through Branch Offices	Number of Premium Notices Issued	Premiums Received	Policies Issued
Delaware	170	152	42	26
Maryland	752	625	271	220
New York	285			
Pennsylvania	1,566	323	79	61
Virginia	257	125	36	32
West Virginia	2	2		
Branch Office Totals	3,032	1,227	428	339
Ohio	25,168	24,340	4,820	2,491
Indiana	17,840	14,574	2,662	1,214
Illinois	21,754	19,725	3,651	1,881
Michigan	9,714	8,818	682	468
Iowa	6,484	4,917	1,762	934
Missouri	30,819	29,060	4,837	1,715
Nebraska	28,620	25,276	3,798	1,880
Kansas	26,409	22,633	5,115	2,388
Oklahoma	12,765	11,438	2,187	870
Texas	6,076	5,196	1,216	585
Idaho	452	361	12	7
Wyoming	656	533	46	14
Colorado	4,002	2,723	98	29
New Mexico	386	271	57	10
Utah	316	296	1	
California	10	10		
Branch Office Totals	191,471	171,176	30,944	14,486
Wisconsin	128	75	34	22
Minnesota	6,867	5,762	1,409	1,136
North Dakota	2,843	1,043	74	26
South Dakota	5,522	3,874	425	298
Montana	1,223	667	170	135
Idaho	759	697	241	197
Washington	265	180	32	22
Oregon	156	110	28	16
Branch Office Totals	17,763	12,408	2,413	1,852
Three Branch Offices	212,266	184,811	33,785	16,667
Combined Totals				

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FEDERAL CREDIT, McMANUS Federal credit for South Dakota farmers to aid them in getting crop insurance was discussed by Mr. Leo McManus, South Dakota State Supervisor, with Farm Credit officials the last of October. The meeting was held at Huron, S. Dak., the group exploring the possibilities of credit through the FCA for the payment of premiums.



# **EASTERN FARMERS PAY UP 30 PERCENT OF PREMIUMS**

A. S. Goff, Assistant in charge of field activities for the Washington branch, reports that "approximately 30 percent of the applicants who have received premium notices to date have already paid their premiums, assuring themselves of an income from their 1939 wheat crop. In a number of cases overpayment of premiums have occurred. As a rule, the applicants requested the excess be deposited toward their 1940 insurance.

"While a comparatively small amount of wheat will be placed in reserve through premium collections from eastern farmers, the number of farmers taking insurance compared with those who have an insurable interest shows a very favorable ratio. With wheat acreage per farm averaging about 20 acres and the loss cost per acre running from the minimum of one-half bushel to eight-tenths bushel it takes a lot of such small premiums to buy much wheat. All applications received and policies issued to date have been for 75 percent coverage." As of October 28 the Washington branch had received from its state offices 3,032 applications. Premium notices issued numbered 1,227 and premiums actually received 428. The number of policies issued was 339.

Mr. Goff observes that farmers in the corn and tobacco states of the eastern area are showing increased interest in the possibilities of all-risk insurance on these commodities for next year.

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# **PREMIUM COLLECTIONS ARE NOW THE PROBLEM**

Winter wheat growers have been urged to pay their 1939 premiums without unnecessary delay in order to be certain of insurance protection on their next harvest. Farmers should be warned that if damage occurs to their crops after the expiration date stated on their premium notices, premium payments might be refused at the county office. The grower who has received his premium notice but who is delaying payment to see how the crop is getting along may find himself without either a crop or insurance. This "eat your pie and save it too" inclination should be discouraged for the good of the farmers themselves.

The final date for receipt of premiums in the county offices of the winter wheat states is November 19. The only exception will be in the case of a grower whose premium notice expires at a date later than this deadline, in which case payments can be made up to the date specified in the premium notice.

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# **CONDITIONS ALMOST IDEAL FOR PREMIUM COLLECTIONS**

Nebraska's State Crop Insurance Supervisor, Tom C. Allington, writes:

"Conditions seems to be ideal at the present time for the collection of premiums. We hope that the Branch Office will be able to have all premium notices in the hands of the applicants by November 1." On October 26, applications from Nebraska numbered 28,012; premium notices issued, 21,916.

"A few counties in Nebraska are now worried about the lack of moisture and its effect on the 1939 wheat crop. Early seeded wheat that has attained large growth is now suffering from the lack of moisture and if the dry weather continues to November 19, we believe a larger percentage of premiums will be paid."

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 \* WILL 1938 BE A WINTER-KILL YEAR FOR OHIO? \*  
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In many Ohio counties, State Crop Insurance Supervisor Dwight Wise reported fine progress on premium payments almost a full month before the cut-off date, October 22. At that time, Mr. Wise writes, the real campaign for premium payments was just beginning. In 30 counties, 30 percent or more of the applicants had paid their premiums. In several counties payments ranged from 60 to 80 percent, the total number of premium payments for the State on October 22 being approximately 6,000.

During this time, Ohio was under the spell of dry weather extending across the lower half of the region between the Appalachians and the Rockies. Mr. Wise pointed out that although Ohio had experienced but little wheat abandonment due to winter-kill since 1928, statistics showed that with this exception, severe winter-kill has occurred in Ohio every 5 years. The abandonment in 1928 was 64 percent, he said, and it seems probable that the winter of 1939, in view of past records, might see another crop loss from this cause.

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 \* A NEBRASKA BANKER ON CROP INSURANCE \*  
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Following are extracts from a Nebraska banker's letter to State Crop Insurance Supervisor, Tom C. Allington:

"I am of the opinion that the Crop Insurance Program is one of the finest things that has been brought forth for the benefit of agriculture.\*\*\*\*

"We advance money to the farmers to pay the premium and also advance them \$2.50 to \$3.00 per acre for seeding and harvesting the crop, and take an assignment of the policy and an agreement to execute a chattel mortgage covering the wheat. The reason we take an assignment of the policy and a chattel mortgage in addition is because we want to be protected if there is no loss under the policy for any advances which we may make. If there is a loss, we get the money from the crop insurance.\*\*\*\*

"I am convinced that all the bankers should avail themselves of this opportunity to put into their assets notes covered by an assignment of the policy and in addition thereto a chattel mortgage covering the crop.\*\*\*\*

September 20, 1938

(Signed) E. E. Placek  
 FIRST NATIONAL BANK  
 Wahoo, Nebraska

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POSTERS DISPLAYED

One county crop insurance supervisor has found another spot to display the big crop insurance posters, "Crop Failures Don't Worry Me." He posts them on individual farms where crop insurance policies have been issued.

In addition, they are posted in such prominent places as elevators, banks, and creameries, where they will do the most good.

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## \* KC SLOGAN GETS RESULTS \*

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"All applications out of the county offices by the 25th" was the mid-October slogan in the Kansas City branch office and it proved very effective. This was practically accomplished, although clearing this back-log gave headaches to many county workers. On October 26 the figures at Kansas City for the inter-mountain area were as follows:

Applications received: Missouri, 30,582; Nebraska, 28,012; Kansas, 26,339; Ohio, 25,166; Illinois, 21,719; Indiana, 17,538; Oklahoma, 12,430; Michigan, 9,713; Iowa, 6,386; Texas, 5,916; Colorado, 3,986.

Premium notices issued: Missouri, 28,992; Nebraska, 24,729; Ohio, 24,315; Kansas, 21,916; Illinois, 19,387; Indiana, 14,530; Oklahoma, 11,115; Michigan, 8,813; Iowa, 5,811; Texas, 5,098; Colorado, 2,712.

Totals for 16 states: applications received, 189,600; premium notices issued, 168,866.

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#### WISCONSIN SPRING WHEAT EXCEEDS WINTER ACREAGE

A spring wheat business exceeding that of the underwriting done on winter wheat is predicted for Wisconsin by Mr. Robert C. Schultz, acting chairman of the Wisconsin Agricultural Conservation Committee. So far, Wisconsin, chiefly a dairy state, has written 225 applications in 14 counties and about 100 more are expected, says Mr. Schultz.

"Applications on spring wheat for crop insurance purposes are expected to exceed the total received on winter wheat by several hundred percent, according to reports by fieldmen," says Mr. Schultz.

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#### MINNESOTA CHIEF LAUDS RED RIVER VALLEY SETUP

The field organization in the Minnesota Red River Valley was highly praised this week by State Supervisor Del Hansen. Thirteen counties in the valley have a "wonderful setup" and are really doing an excellent business, he said. Fieldmen have kept applications flowing into the county offices where county supervisors check them before they are sent to the State office. "The spirit is good and applications are coming in fine," stated Mr. Hansen. "The men are watching costs too."

If anyone has any doubt that farmers can't sell insurance, Hansen declares, they should visit these valley counties where the farmers not only are selling the all-risk wheat protection, but doing a grand job of it. Ninety percent of the applications in a number of these Red River Valley counties will develop into policies, Hansen predicts. "Most of the farmers in this area have been waiting for their wheat loans before paying their premiums, says Mr. Hansen.

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"It must have been a terrible tempest that devastated such an extent of country. I have sometimes thought that it might be well to establish an office of insurance for farms against the damage that may occur to them from storms, blight, insects, etc. A small sum paid by a number would repair such losses and prevent much poverty and distress." - - Benjamin Franklin, 1788.



OREGON ACREAGE TO DWARF  
APPLICATIONS KIDDLE SAYS

Applications may not run high in number in Oregon but State Supervisor Clyde L. Kiddle predicts they will make up in acreage what they lack in number. As an indication of what may come from Oregon, Mr. Kiddle calls attention to one prospect in eastern Oregon involving 7,391 acres of wheat on which 74,359 bushels of wheat will be insured.

"This, of course," he says, "will be our largest group of applications for an organization headed by the same management."

But that's not all. He also has several other applications completed or in the process of being completed, that involve from 1,200 to 1,600 acres each.

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FUTURE FARMERS LEARN  
ABOUT CROP INSURANCE

The coming generation of farmers had their first lesson on crop insurance from Del B. Hansen, state crop insurance supervisor for Minnesota. With Elmer Howland, in charge of commodity loans in Minnesota, he participated in a meeting at Crookston, Minn., on the Agricultural Conservation Program for 1939. Both spoke later at the Agricultural School at Crookston when Mr. Hansen discussed crop insurance. "The student assembly was very attentive and I feel that more of such work should be done among this group of future farmers," says Mr. Hansen.

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MINNEAPOLIS EMPLOYEES FROLIC

The goblins didn't get any Minneapolis FCIC employees even though none of them watched out on October 28. They were too busy having a Halloween dance at the club house of a public golf course. There was cider to cool the thirsty and sandwiches to fortify the dancers for continued capers between 9:30 p.m. and 12:30 a.m. About 100 couples attended.

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\* CROP INSURANCE QUIZ \*  
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Question: Can a farmer make three applications for wheat insurance to cover as many sections of a single farm?

Answer: County committees will not treat separate tracts within a farm as individual farms unless the tracts covered by the applications are definitely individual farms or distinct operating units.

Question: Is it necessary to issue a new policy to an applicant who has paid his premium but later reduces this acreage through execution of Form FCI-1 Rider (A)?

Answer: No.

Question: Should a supplementary map be obtained from the applicant when the insurance coverage for a material increase in acreage is requested on Rider (A)?

Answer: The Corporation should at least obtain a statement from the insured as to the size and approximate location of the new fields with reference to the tracts of land previously outlined on Form FCI-12, to give the inspector a means of identifying all of the fields planted to wheat on the farm. The map should then be corrected, if necessary, when the inspection is actually made.

**"WHEAT IN YOUR BIN" NOW  
READY FOR DISTRIBUTION**

The most recent publication of the Corporation, "Wheat in Your Bin Every Year," is now off the press. Half a million copies were printed, distribution of which will be made to farmers throughout the wheat-growing areas of the country as soon as possible through the media of the branch offices of the Corporation and the State and county supervisors.

"Wheat in Your Bin" is a 16-page pamphlet, effectively illustrated and written in a manner that explains the subject simply and clearly. It explains why the farmer needs insurance, what wheat crop insurance is, and how crop insurance works. Printed in very readable type and only  $5\frac{1}{4}$  x 8 inches in size -- small enough to fit into an overall pocket -- it should be very popular with prospective policy holders.

The cover shows a farmer with a contagious smile, standing in a full bin of wheat. Subsequent photos show the farmer and the county supervisor looking over the wheat land on a farm; the farmer signing an application for crop insurance, loading his wheat for the premium, paying the premium, the farmer and his family reading a newspaper which tells of crop damage, and the back cover shows the farmer looking at a large terminal in which are housed the wheat reserves of the FCIC. Incidentally, the man who posed for the pictures is H. R. Belden, a wheat grower near Horton, Kansas, and when you see the booklet you will agree that he is highly photogenic.

The official designation of this pamphlet is GIS-5 and will take its place as another member of the regular informational series of the Corporation.

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**COMMUNITY CHEST GOAL  
FOR FCIC SET AT \$820**

The local Community Chest launches its campaign on November 9 to raise its quota of \$2,127,000. Of this amount Government employees have been asked to contribute \$798,000. Our share toward meeting the latter figure is \$820. Contributions from every employee will be needed to reach this goal. By so doing you will help meet immediate human needs, care for the sick, safeguard the well, prevent delinquency, and build character. Federal Crop Insurance Corporation employees will want to do their share in this humanitarian work. If we all do our part we'll not only reach our goal but GO OVER THE TOP!

Cash Day is November 15. If for any reason you cannot make your contribution by that time, your pledge is all that is necessary. See your keyman regarding your contribution. Let's make Federal Crop Insurance the FIRST GOVERNMENTAL UNIT TO REACH ITS GOAL.

Helen Bonorden is Division Chairman for the Corporation. Vice Chairmen of the Headquarters and K Street offices are Don Wilson and Verna DeChene, respectively. Keymen assisting in the work are, for the headquarters office, Rowland Dobbins, Ruth Jarvis, Jean Jerusalem, Ruth Parker and Esther Weber; for the K Street office, Giulia Assante, Stuart Andrews, James Biscoe, Lenore Laubner and James Fletcher.

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County crop insurance supervisors have been instructed not to receive premiums from applicants who, after applying for insurance, have sold their farm and no longer retain an interest in the wheat crop. Such applicants should be informed that inasmuch as they no longer have an interest in the crop, they are not eligible for insurance.